



# Department of Justice

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## **JUSTICE DEPARTMENT ALLOWS COST INFORMATION EXCHANGE AMONGST ARCHITECTURAL MILLWORK MANUFACTURERS**

WASHINGTON, D.C. -- The Department of Justice today announced that it would not challenge a proposal by architectural millwork manufacturers to conduct a survey of general financial, cost and sales data in an attempt to increase the efficiency of their operations.

The Department's position was stated in a business review letter from R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division, to counsel for the Woodwork Institute of California. The Woodwork Institute of California is a voluntary membership association in the architectural millwork industry, an industry comprised of manufacturers of exposed woodwork, cabinetry, wall paneling, trim and countertops primarily for commercial and institutional applications.

In the business review letter to the Woodwork Institute of California's counsel, Pate stated that "the limited nature of the proposed cooperation--historic cost information on an aggregated basis with no discussion of pricing or other sales related conduct--should limit any risk that the data exchanged could lead to concerted pricing." Moreover, "[t]o the extent that it reduces costs for architectural millwork firms, . . . the proposal may lead to lower prices and expanded output, to the benefit of consumers."

To obtain relevant information, the Woodwork Institute of California proposes to identify through survey questionnaires general financial, cost and sales data that would be useful for

architectural millwork manufacturers to review and use as benchmarks. The survey would not contain information about competitively sensitive items. The results of the survey would be made available in aggregate form for purchase.

The survey will be managed by an independent entity, and all data submitted by the companies to the survey manager will be more than three months old at the time the results are disseminated. In addition, the survey manager will distribute financial information only if it collectively represents the architectural millwork industry, not individual companies. No pricing information, marketing plans or equipment information will be included in the survey. No data of any kind will be exchanged directly between or among the individual companies. The Woodwork Institute of California has agreed to remove any request for or reference to forecasted data (e.g., forecasted sales) from the survey.

Under the Department's business review procedure, an organization may submit a proposed action to the Antitrust Division and receive a statement as to whether the Division will challenge the action under the antitrust laws.

A file containing the business review request and the Department's response may be examined in the Antitrust Documents Group of the Antitrust Division, Suite 215, Liberty Place, 325 7<sup>th</sup> Street, N.W., Department of Justice, Washington, D.C. 20004. After a 30-day period, the documents supporting the business review will be added to the file.

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